



ANNUAL REPORT



A MESSAGE FROM OUR CEO AND OUR CHIEF GOVERNANCE OFFICER

We remained **STEADFAST & RESILIENT** – together.

To our loyal members,

2020 commenced on a high note after completing a very successful 2019. In February, we welcomed three locations to our new corporate headquarters providing state of the art technology, collaboration, and growth.

As March approached, 2020 quickly turned into a year of unprecedented concerns and unavoidable change for all. We remained STEADFAST, & RESILIENT – together. During a year of such uncertainty, one thing that had remained certain was the strength of your Credit Union and the commitment to you. Our underlying strengths and resilience have become even more evident throughout the pandemic. This did not happen by chance, it's a reflection of our commitment to a unified vision of what GFA stands for, collaboration with our local leaders, and always focusing on our mission – you and your family's financial success.

Our philosophy of providing you Better Banking is brought to life each day through the actions of our team, and throughout 2020 those actions were nothing short of remarkable. The Better Banking team responded with creativity and resilience, and that's how we'll continue to serve our members, through collaboration, agility, and care. Our team assisted over 150 businesses throughout our communities, by providing more than 10 million dollars in Payroll Protection Program loans, and guidance through the forgiveness process. We supported countless members in providing financial relief by offering loan skip payments for extended time periods, waiving traditional fees, and creating a short-term, low-rate bridge loan. Together, we turned an economic disadvantage into record-high earnings, ending 2020 with \$601.3 million in assets, two milestone accomplishments. Mortgage rates hit an all-time low, and we completed our best year in recent history in regards to residential loans. Our capital position grew to nearly \$64 million, well ahead of all regulatory benchmarks for an institution's financial soundness. What does this mean to you? It means your credit union is operating in a safe and sound manner, and from a business perspective, your credit union continues its steady trajectory forward and upward, with our focus finely tuned to the things that really matter to our members.

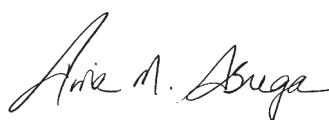
We did not take closing our lobbies lightly and are thankful for the resources we have in place to enable

banking transactions and account reviews to transpire as normal from the safety and convenience of home. As we welcomed members back inside our lobbies, we continue to do all we could to respond to members' needs while finding creative ways to make in-person transactions safe and efficient. Our priority is to provide members outstanding service, always delivering a convenient, engaging member experience regardless of whether it is digital or in-person. We are proud that over 93% of our members reported that throughout 2020 they were "more than satisfied" with the member service we provided them.

Throughout 2020 we contributed over \$100,000 to our local communities. We are proud of our community roots and our commitment to care for our neighbors. Although our teams could not volunteer as they traditionally would, we supported community organizations and frontline workers who needed support more than ever throughout the pandemic, such as area hospitals, and 12 local food pantries. Financial education was at the forefront of our communication throughout 2020. Providing guidance through webinars, blogs, and social media to assist members with economic stimulus payments, fraud, and budgeting, and overall financial support.

We have the privilege of Eighty-two years of a strong foundation. A foundation that has positioned GFA as a premier place to bank, providing member service that is second to none, competitive rates, innovative products, digital access, convenient locations, and local decision making – all helped to guide us through 2020. We are confident that our strong foundation, and our progressive business continuity plan, built on our strategic pillars of community, employees, technology, members, and growth allowed us to make the most effective, informed decisions regarding the local and national updates, keeping you, our members, apprised of changes and providing the uninterrupted Better Banking experience you have come to know and expect.

As we are well on our way into another year, our continued success is due to you – our members. Thank you to our long-time members, and welcome to our new ones. On behalf of the Board of Directors, our committees, management, and the entire GFA family, we thank you for trusting GFA with your financial needs.



Tina M. Sbrega, President & CEO



Gerald L. Bankowski, CPA,
Chief Governance Officer



L to R: Tina M. Sbrega, President & CEO; Gerald L. Bankowski, CPA, Chief Governance Officer; Joshua I. Brier, President & CEO Elect

A Message to Our Members from Tina M. Sbrega

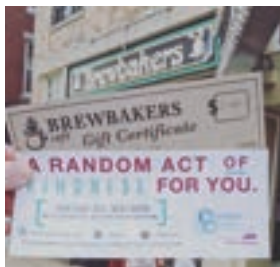
As my time as CEO of GFA comes to a close, I reflect on the years with pride as this has truly been the best organization one could wish to work for and lead. To say it has been an honor and a privilege would be an understatement. I have been blessed to have had the opportunity to work with the finest, beginning with a talented group of volunteers who have always put the needs of our organization and our members first. Our Board of Directors and Supervisory Committee are forever guided by our mission and the support they have provided me throughout the years is greatly appreciated. To the entire Better Banking Team, it takes a village and I wish to express to you all my appreciation for your dedication and great work.

Every leader should leave their organization better than when they arrived and GFA is indeed poised for continued success. I am confident that your credit union, under Mr. Brier's leadership, will continue to shine and carry on the legacy of our founders. Most importantly, I would be remiss if I did not take this opportunity to thank our members for your ongoing support and trust in our ability to provide you Better Banking. Without you, there would be no GFA. To me, GFA will always be family and the organization and all of you will remain close to my heart.

Thank you

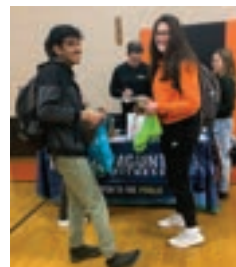
In a year when we were faced with the very worst, we witnessed the **BEST** from us all. Our team came **TOGETHER** like never before. Our **MEMBERS** and **COMMUNITY** depend on us as a **TRUSTED** source of **STABILITY** for their finances and support, for which we did not waiver...

SUPPORTING LOCAL



In February the Keene Team visited Brewbakers in downtown Keene to share some **Random Acts of Kindness**.

150 Gardner High School juniors participated in a **Reality Fair** held in February, bringing members of the community together to help our youth learn important life skills like saving, budgeting, and the cost of living.



SOCIAL STRENGTH

During the onset of the pandemic with many business forced to close their doors to customers, we stepped up to support our local eateries by hosting a **Take Out Tuesday** contest on our social media channels, giving away gift cards to followers, helping not only the business, but our community members as well.

Utilizing our large social media reach, GFA helped to promote the importance of supporting local by highlighting each available offer in the **BOLT Shop Local. Save Local.** network, giving local businesses a prominent position to promote their businesses while driving customers to them.



Rebecca Caranci, AVP/Branch Manager visits Waterford Street School in Gardner for **America Reads Week** held in March.

HELPING OUR MEMBER THROUGH COVID-19



To educate and guide local, small businesses on the SBA's Small Business Loan Programs, GFA hosted a series of **5 Webinars** through local Chamber of Commerce offices. As a **SBA Preferred Express Lender**, GFA quickly processed the applications getting the much needed funding to our members fast.

Payment Protection Program Over \$10.4 Million – Helping More Than 750 Families

“ The lending team at GFA made it so easy for me to apply for a PPP loan for my business. They helped with every step allowing me to get the much needed funds to pay my staff. ”

A 12-month, **1.99% Short Term Bridge Loan** was created to support members who were effected by lost jobs and wages due to COVID-19.

Our **Stretch Your Stimulus – Fusion Savings Contest** gave Fusion Savings account holders the chance to double their initial deposit and increase their savings during a time when everyone could use a little extra help.

We modified our **Skip Pay Program** to allow up to 2 months of skip payments on consumer loans for borrowers impacted by COVID-19. The \$35.00 processing fee, as well as some normal qualifications were waved.



With all staying close to home this year, we believed your banking should be as convenient as possible. With this in mind, we expanded non-member access through the **CO-OP Banking Network** to include all GFA branch locations.

Members took full advantage of our FREE **Auto Advisor** service. With a total of **\$1.1 Million** in Loans, each member saved an average of **\$1,700**.



David Jacques Memorial Scholarship
winner – Alexis Faircloth, Conant High School senior and Rindge, NH resident.

93% Member Satisfaction Score

Our new online and mobile banking **Versatiles Theme** brings all the same functionality members are familiar with, but now with an even easier to view interface that is customizable to better fit their needs.



BOLT

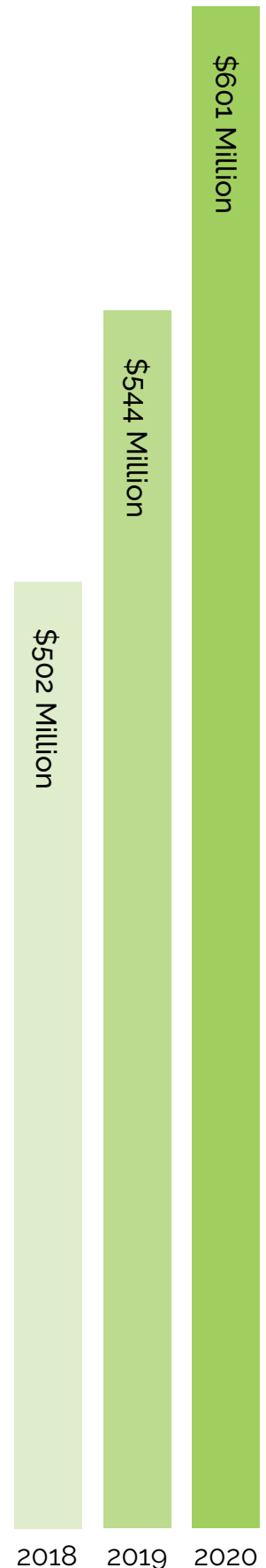
Launched in June, **BOLT** offers relevant benefits to our members while encouraging shopping local and promoting small businesses.

“

I got a flat tire one morning on my way into work and called AAA to help. They said it would be 2 – 3 hours before someone could get to me. Then I remembered my **BOLT** app and the Roadside Assistance feature. It was easy to request assistance. They were able to help me within 30 minutes and I made it to work on time!

”

TOTAL ASSETS GROWTH



...Helping each other tackle the struggles of closed branch lobbies, and a change in the way we operate day to day, we worked to **INNOVATE** and develop our **PRODUCTS** and **SERVICES**, to educate our membership on ways to utilize what we offer that caters to the “new normal.”

BOARD OF DIRECTORS

GFA Federal Credit Union's Board of Directors is comprised of committed individuals who volunteer their time to assure that our members receive the best products and services that bring them the most convenience and value.



**Gerald L.
Bankowski, CPA**
Chief Governance
Officer



**Andrew N.
Boucher**
Vice Chairman



**Mark P.
Hawke**
Clerk



**Tina M.
Sbrega**
President & CEO



**Chuck P.
Bowles**



**Douglas R.
Delay**



**Elaine T.
Fluet**



**Michael T.
Horrigan**



**Joanne
Parks**



**Omer
Cormier**
Director Emeriti



**Allen T.
Goguen**
Director Emeriti

SUPERVISORY COMMITTEE

The Supervisory Committee oversees the safety and soundness of the credit union's financials and member information security. This committee is comprised of individuals from the community who volunteer their time to make sure members' funds and interests are protected.

Dr. Daniel M. Asquino
Chairman

Winfield S. Brown
Heather Isaacs

Elizabeth Kazinskas
Dave Perry

Board of Managers, Lighthouse Biz Solutions, LLC

Mark P. Hawke
Chairman

Gerald L. Bankowski, CPA

Charles P. Bowles

Neil Erickson

Elaine T. Fluet

Tina Santos

LEADERSHIP TEAM

Tina M. Sbrega
President & CEO

Joshua I. Brier
President & CEO Elect

David C. Bojarczuk
EVP/Chief Financial Officer

Paul Fitzpatrick
SVP/GFA Investment Management

Joan Moran
SVP/Chief Lending Officer

Jeffrey Scott
SVP/Chief Technology Officer

Pamela Genelli
1st VP/Culture Officer

Edmond Perry
1st VP/Real Estate Sales
Development Officer

Kimberly Quinn
1st VP/Operations Officer

Christopher Brunell
VP/Commercial Lender

ADVISORY BOARDS

GFA's Regional Advisory Groups are made up of individuals who volunteer their time to provide guidance to the Credit Union and stand as representatives from the communities we proudly serve.

Ashburnham

Andrea Arsenault
Joanne Catlin
Ronald Newman

Cheshire

Jim Belden
Eileen Frigon
Terri Frigon
W.T. Mason
David Perry
Linda Price

Hubbardston Rutland

Ed Blanchard
Michael Caruso
Joyce Green
Brian Stidsen

Fitchburg Leominster

Leonard Croteau
Peter Lahtinen
Richard Leger
Warren Legsdin
Stephen Masiello

Monadnock

Laura Gingras
Samuel Hackler
Timothy Kolk
Thomas LaFortune
Barbara Miller

Gardner High School Student Advisory Board

Alex Luicer, Chair
Emma Ashmore, Vice-Chair
Gabriela Gonzalez, Secretary
Gino Di Vito, Treasurer
Brianna Boateng
Rebecca Cormier

Skylar Grenier
Madison Lashua
Quintin Lemek
Maddie Margraf
Tyler Pratt
Suriya Sundaramurthy

Our Student Advisory Board gives their input on the financial needs of young adults, while gaining an understanding of the role of governance and financial literacy.

FINANCIAL

GFA Federal Credit Union and Subsidiaries
Consolidated Balance Sheets
December 31

ASSETS	2020	2019
Cash and interest-bearing deposits due from banks	\$ 68,556,344	\$ 37,173,875
Certificates of deposit	3,285,192	8,366,999
Investment securities		
Equities, at fair value	20,948	19,020
Available-for-sale, at fair value	202,999,616	138,632,585
Held-to-maturity, at amortized cost	21,449	38,789
Loans receivable, net	287,438,725	325,477,130
Accrued interest receivable	1,401,264	1,378,873
Other real estate owned	113,135	-
Premises and equipment, net	21,141,582	17,641,026
NCUSIF deposit	4,254,635	3,863,051
FHLB stock, restricted, at cost	2,065,000	2,627,100
Non-public investments	2,915,000	415,000
Prepaid expenses and other assets	2,007,350	1,893,805
Goodwill	5,187,137	5,187,137
Total Assets	<u>\$ 601,407,377</u>	<u>\$ 542,714,390</u>
Liabilities and Members' Equity		
Members' shares and savings accounts	\$ 499,604,177	\$ 434,557,688
Mortgagors' escrow accounts	1,305,830	1,282,933
Borrowed funds	31,027,851	45,231,895
Other liabilities	5,421,649	3,377,101
Total Liabilities	<u>537,359,507</u>	<u>484,449,617</u>
Commitments and Contingencies		
Members' Equity - Substantially Restricted		
Unappropriated earnings	58,062,008	54,664,744
Regular reserves	4,040,084	4,040,084
Accumulated other comprehensive loss	1,945,778	(440,055)
	<u>64,047,870</u>	<u>58,264,773</u>
Total Liabilities and Surplus	<u>\$ 601,407,377</u>	<u>\$ 542,714,390</u>

For a copy of our full financial statement, please contact:

David C. Bojarczuk, Executive Vice President/Chief Financial Officer
GFA Federal Credit Union | 229 Parker Street, Gardner, MA 01440
978.632.2542 | email: dbojarczuk@gfafcu.com

BETTER BANKING TEAM

Providing our members with over...

492 years – 6 months – 42 days

of experience, making even *Better Banking* for you!



Throughout 2020 one thing that remained consistent was the dedication our Better Banking Team had for our members, communities, one another, and GFA as a whole. Which is why the **2020 Unsung Hero Award** was presented to the **entire GFA Better Banking Team**.

The **President's Gold Standard of Excellence Award** recognizes an individual who consistently demonstrates excellence and embodies the mission, vision and values of GFA. They possess commitment, experience, strong leadership, accountability, are always engaged, responsive, respectful and considered an expert in their department.

The 2020 award was presented to **Brian Rumanowski, Credit Analyst**. Brian is a staple within the Commercial Banking team. His enthusiasm, communication and professional demeanour with members and fellow employees always goes above and beyond. He is innovative, builds trusted relationships, and effortlessly embraces challenges.

Congratulations, Brian!



As part of our Virtual Employee Appreciation Event, 7 Team Members stepped out of their comfort zone to participate in **GFA's Got Talent** showcasing a variety of talents such as comedy, singing, juggling, crafting, and roller skating tricks. **Congratulations to Gina Vecchi for taking 1st place!**

CCUA AWARDS OF EXCELLENCE



Lindsey Trotto, Branch Manager was recognized as a **2020 CCUA Professional of the Year**. Her dedication and willingness to go above and beyond is evident in all that she does. She shines in every situation and is never distracted by a new challenge, but instead is driven to succeed when met with them. It's unmistakable to recognize her strengths in member service, coaching and training, and utilizes her positive attitude and enthusiasm to take on any new opportunity that is presented to her.

Tina M. Sbrega, President & CEO was inducted into the **2020 CCUA Hall of Fame** for her overall career achievements. The list of accomplishments for Tina is extensive. Her tenure, experience, commitment and growth within GFA and the community, as well as her devotion to the credit union movement, significant impact with her inspirational leadership, bold decision-making and commitment to delivering exemplary service to our members and the communities GFA serves earns her a well-deserved induction into the CCUA's Awards of Excellence – Hall of Fame.





2020 HIGHLIGHTS



PPP Loans

- Over **\$10.4 Million** Total Loans
- Assisting **162** Businesses
- Helping More Than **750 Families**



Investment Management

- Increase of **\$5 Million** Under Management
- Launched New GFA Investment Management Website



Social Followers

- **2,880** Followers
- Social Reach of **Over 100,000** users
- BOLT Shop Local. Save Local. Campaign
- #BetterBanking #BetterCommunityBanking



Community Support

- Over **\$100,000** Donated
- Helped **38** Community & Healthcare Organizations
- **1,970 Meals Sponsored** Through Area Food Pantries
- Employees Donate **\$9K** to United Way & Casual For A Cause



Mortgages

- Over **\$62.3 Million** in Mortgages
- **\$277,941** in Mass Save Heat Loans
- **Exceeded Industry Standard** of Closing Turnaround From Application to Close Date



Members

- Satisfaction Score of **93%**
- **Launched BOLT**, member benefits program
- **55% Increase** in Members Utilizing Mobile Deposit



Financial Literacy

- Over **150 Students** Attend February Reality Fair
- **11 Educational** Better Banking Blog Posts
- **14 Advisory Board Students** Successfully Complete 2019/2020 Year Virtually



Personal



Business



Investments



Insurance

GFAFCU.COM | 978.632.2542

Ashburnham | Gardner | Hubbardston | Keene | Leominster
Peterborough | Rindge | Rutland | Winchendon



EQUAL
OPPORTUNITY
LENDER